



DEPARTMENT OF COMMERCE CENSUS HEARING

OPENING STATEMENT

Chairman Alan B. Mollohan
House Subcommittee on Commerce, Justice, Science and Related Agencies Appropriations

GOOD AFTERNOON. WELCOME TO MEMBERS, STAFF, AGENCY WITNESSES, AND THE PUBLIC.

THIS AFTERNOON SECRETARY CARLOS GUTIERREZ OF THE DEPARTMENT OF COMMERCE, AND DIRECTOR STEVE MURDOCK OF THE BUREAU OF THE CENSUS, APPEAR BEFORE US TO TESTIFY ON THE CRISIS FACING THE CENSUS BUREAU—AND THE ADMINISTRATION’S PROPOSED SOLUTION.

SECRETARY GUTIERREZ, ON MARCH 11TH, YOU TESTIFIED BEFORE THE COMMITTEE ON THE COMMERCE DEPARTMENT’S FISCAL YEAR 2009 BUDGET. BUT YOU WERE UNABLE TO DISCUSS, OPENLY AND FREELY, THE NEEDS OF YOUR DEPARTMENT TO CARRY OUT A SUCCESSFUL CENSUS.

INSTEAD, YOU ASKED FOR MORE TIME TO REACH A DECISION BASED ON FOUR POSSIBLE OPTIONS. YOU TOLD THIS COMMITTEE THAT ON MARCH 31ST YOU WOULD BE ABLE TO PROVIDE THE OPTION CHOSEN; THE COST OF THAT OPTION; AND THE METHOD BY WHICH THE ADMINISTRATION PROPOSES TO FUND THAT OPTION.

THIS COMMITTEE ACCOMODATED YOU, AND POSTPONED THE CENSUS BUREAU HEARING, ORIGINALLY SCHEDULED FOR MARCH 13TH, TO APRIL 1ST.

ON MARCH 18TH, YOU REQUESTED THAT THE HEARING BE POSTPONED UNTIL APRIL 3RD, AS YOU WERE UNABLE TO PROVIDE CLARITY ON THESE ISSUES BEFORE TODAY.

AGAIN, THE COMMITTEE ACCOMODATED YOU.

TODAY, WE EXPECT YOU TO BE PREPARED TO INFORM THE COMMITTEE OF THE ADMINISTRATION'S DECISIONS AND TO HAVE AN OPEN AND FREE DISCUSSION ABOUT THE DEPARTMENT'S NEEDS TO CONDUCT A SUCCESSFUL CENSUS. FURTHERMORE, WE EXPECT THE TRANSPARENCY AND FULL COOPERATION THAT HAS BEEN ABSENT IN THE DEPARTMENT'S COMMUNICATIONS WITH THIS COMMITTEE.

WHAT WE HAVE LEARNED, MR. SECRETARY, IS TROUBLING. INSTEAD OF ASKING FOR EMERGENCY SUPPLEMENTAL FUNDING FOR A GROSSLY MISMANAGED CONSTITUTIONALLY-MANDATED PROGRAM, YOU ARE PROPOSING A REALLOCATION OF COMMERCE DEPARTMENT FUNDING.

MUCH OF THE FUNDING YOU PROPOSE FOR REALLOCATION—ECONOMIC DEVELOPMENT ASSISTANCE PROGRAMS AND INDUSTRIAL TECHNOLOGY SERVICES—IS FUNDING WHICH WILL PROVIDE STIMULUS TO THE ECONOMY. IN FACT, JUST YESTERDAY, THE COMMITTEE RECEIVED TESTIMONY THAT THE VERY PROGRAMS YOU SEEK TO REDUCE—IN ORDER TO PAY FOR CENSUS—SHOULD BE EXPANDED DURING THESE DIFFICULT ECONOMIC TIMES.

THE REST OF THE REALLOCATION YOU PROPOSE CONSISTS OF CONGRESSIONAL PRIORITY FUNDING IN NOAA, NIST, AND NTIA, AS WELL AS EMERGENCY STEEL LOAN GUARANTEE FUNDING. I FIND IT ILLOGICAL THAT THIS ADMINISTRATION WOULD EXPECT THIS CONGRESS TO ELIMINATE FUNDING PROVIDED FOR IMPORTANT

PROGRAMS OVER THE LEVELS IN THE PRESIDENT'S BUDGET TO PAY FOR A PROBLEM CREATED SOLELY BY THIS ADMINISTRATION. IT SEEMS MORE LOGICAL THAT THE PRESIDENT SHOULD BE PROPOSING CUTS TO PROGRAMS THAT HE FINDS IMPORTANT TO PAY FOR THIS ADMINISTRATION'S BLUNDERS.

AND THIS PROPOSAL IS IN ADDITION TO A RECENT \$50 MILLION REPROGRAMMING REQUEST WITHIN THE CENSUS BUREAU. THE REPROGRAMMING UNACCEPTABLY SHIFTS RISK TO OTHER PARTS OF CENSUS—IN ORDER TO EKE OUT JUST ANOTHER MONTH OF FUNDING. IT DOES LITTLE TO REDUCE OVERALL RISK FOR A SUCCESSFUL CENSUS.

YOUR PROPOSAL IGNORES THE CONSEQUENCES OF EVISCERATING PROGRAMS WHICH BOLSTER THE ECONOMY AND IT DISMISSES THE IMPORTANCE OF AN ACCURATE COUNT OF THE POPULATION ON WHICH SO MANY FUNDING—AND POLITICAL—DECISIONS REST. IT IS IRONIC TO ME THAT THIS ADMINISTRATION REQUESTS EMERGENCY FUNDING FOR A WAR IN ITS SIXTH YEAR AT THE SAME TIME IT REFUSES TO REQUEST FUNDING FOR AN EMERGENT REQUIREMENT FOR THE CENSUS.

IT IS INCOMPREHENSIBLE—AND UNCONSCIONABLE—THAT THIS ADMINISTRATION IS WILLING TO FUND, AS AN EMERGENCY, THE WARS IN AFGHANISTAN AND IRAQ AT \$450 MILLION PER DAY, BUT FOR THE EQUIVALENT OF 12 HOURS EXECUTION OF THOSE WARS, THE ADMINISTRATION INSISTS ON AN OFFSET FOR THE 2010 DECENNIAL.

OF COURSE, THIS PARTICULAR EMERGENCY WAS CREATED BY THE ADMINISTRATION ITSELF. THE DECENNIAL CENSUS IS CONSTITUTIONALLY-MANDATED TO OCCUR EVERY TEN YEARS—A COMPLETELY PREDICTABLE BUDGETARY REQUIREMENT. THE CENSUS BUREAU AND THE HARRIS CORPORATION HAVE EACH CONTRIBUTED TO TODAY'S CRISIS, BUT IT HAS BEEN THE ADMINISTRATION'S REFUSAL TO IDENTIFY AND CORRECT EARLY INDICATIONS OF FAILURE THAT HAS TURNED THE CRISIS INTO AN EMERGENCY.

CENSUS HAS ABDICATED RESPONSIBILITY BY RELYING ON A CONTRACTOR WITH A COST PLUS CONTRACT INSTEAD OF PROVIDING DETAILED REQUIREMENTS AND RIGOROUS CONTRACT OVERSIGHT. NOW CENSUS HAS NO CONFIDENCE IN THE CONTRACTOR, HARRIS CORPORATION, BECAUSE OF ITS FAILURE TO PRODUCE AN ACCEPTABLE PRODUCT FOR USE TO DATE. THE ALTERNATIVE YOU HAVE CHOSEN THUS REDUCES THE SCOPE OF HARRIS' CONTRIBUTION TO THE 2010 DECENNIAL—YET HARRIS WILL BE RECEIVING MORE THAN TWICE THE AMOUNT OF THE ORIGINAL CONTRACT.

AS A RESULT, CENSUS IS FORCED TO ASSUME ADDITIONAL WORK. THIS IS A MAJOR RISK. BUT THERE IS NO OTHER OPTION AS IT IS THE LEAST RISKY OF THE IDENTIFIED ALTERNATIVES. IT ALLOWS CENSUS MORE CONTROL OVER THE OUTCOME AND LIMITS ITS VULNERABILITY TO THE EXTENSIVE ADDITIONAL COST INCREASES THAT WOULD RESULT IF HARRIS MAINTAINED ALL PARTS OF THE FIELD DATA COLLECTION AUTOMATION PROCESS. HOWEVER, CENSUS' FLEXIBILITY TO RESPOND TO UNFORESEEN DIFFICULTIES IS GREATER AS TIME AND HUMAN CAPITAL ARE LIMITED. THE CLOCK IS TICKING, MR. SECRETARY. YOU HAVE LESS THAN TWO YEARS TO CENSUS DAY AND AN ENTIRE PAPER-BASED NON-RESPONSE FOLLOW UP TO DESIGN, DELIVER, AND INTEGRATE WITH THE OPERATING SYSTEM—THE BRAINS OF THE PROCESS—WHICH HARRIS CONTROLS.

YET YOU HAVE WAITED UNTIL THE LAST POSSIBLE MOMENT TO BRING THIS EMERGENCY TO THE COMMITTEE'S ATTENTION, SECRETARY GUTIERREZ. DESPITE THE FACT THAT YOU HAVE KNOWN SINCE THE END OF JANUARY THAT CENSUS WOULD RUN OUT OF MONEY BY THE END OF JUNE, YOU WAITED UNTIL MARCH 26 TO REQUEST A REPROGRAMMING, AND UNTIL LAST NIGHT—APRIL 2—TO REQUEST A DEPARTMENTAL REALLOCATION. CENSUS IS ON THE PRECIPICE OF FISCAL DISASTER.

LAST DECEMBER, FORMER CENSUS BUREAU DIRECTOR KINCANNON SAID, "NOT ONLY DO WE NEED ADEQUATE FUNDING, WE NEED IT IN TIME TO MAKE USE OF IT."

AND, “DELAYS IN FUNDING ARE THE BIGGEST RISK FOR THE 2010 CENSUS.” BUT THE ADMINISTRATION HAS CHOSEN TO HIDE BEHIND ‘FISCAL RESPONSIBILITY’ INSTEAD OF MOVING QUICKLY TO RESOLVE PROBLEMS, AND PREFERS TO MOVE DECK CHAIRS ON THE TITANIC RATHER THAN PROVIDE EMERGENCY FUNDING FOR THIS CRITICAL NEED.

SECRETARY GUTIERREZ, YOU HAVE A HARD TIME KEEPING CENSUS DIRECTORS. PERHAPS THAT IS NOT SO SURPRISING. THE COMMITTEE EXPECTS THAT YOU WILL DO EVERYTHING IN YOUR POWER TO ENSURE THAT DIRECTOR MURDOCK HAS WHAT HE NEEDS TO ACCOMPLISH HIS MISSION, INCLUDING THE FULL COOPERATION OF THE BUREAU AND YOUR DEPARTMENT. WE HOPE, TOO, THAT THE ADMINISTRATION WILL SUPPORT YOUR CENSUS DIRECTOR.

DIRECTOR MURDOCK, THIS COMMITTEE WISHES TO ACKNOWLEDGE YOUR SERVICE AND DEDICATION—WHICH HAS SURELY BEEN TRIED BEYOND ALL REASON IN THE THREE SHORT MONTHS YOU HAVE SERVED. THE COMMITTEE SINCERELY THANKS YOU AND STANDS READY TO WORK WITH YOU IN RESOLVING A CRISIS YOU INHERITED.

BEFORE INVITING YOUR OPENING STATEMENTS, I RECOGNIZE THE RANKING MEMBER OF THE SUBCOMMITTEE, MR. FRELINGHUYSEN, FOR ANY OPENING COMMENTS THAT HE MAY WISH TO MAKE.